

ABSTRACT

Investment Opportunity Set is an investment option available to the company and can be used by the company for the future. This study aimed to determine the effect MKTBKASS, EPS, and MKTBKEQ on stock returns. The variables used were MKTBKASS, EPS, and MKTBKEQ as independent variables, the ESOP is used as an intervening variable on the dependent variable stock returns.

Sampling techniques using purposive sampling, sample used are companies that implement ESOP program, and listed on the Indonesia Stock Exchange the period 2009 - 2011 amounted to as many as 26 companies. Analysis techniques using multiple regression analysis.

Based on the testing showed that MKTBKASS significant positive effect on the ESOP, but EPS and MKTBKEQ negatively affect the ESOP. In other tests on stock returns, MKTBKASS significant positive effect on stock returns. MKTBKEQ has a positive and significant impact on stock returns. ESOP has a significant positive effect on stock returns, while EPS does not have a significant positive effect on stock returns.

Keywords: Investment opportunity set, MKTBKASS, EPS, MKTBKEQ, and ESOP